

## **MINUTES**

### **MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By **CHAIRMAN BOB DEPRATU**, on March 17, 2003 at 8:04 A.M., in Room 405 Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. Bob DePratu, Chairman (R)  
Sen. Bob Story Jr., Vice Chairman (R)  
Sen. Jerry W. Black (R)  
Sen. John C. Bohlinger (R)  
Sen. Jon Ellingson (D)  
Sen. Jim Elliott (D)  
Sen. Bill Glaser (R)  
Sen. Walter McNutt (R)  
Sen. Mike Taylor (R)  
Sen. Ken Toole (D)

**Members Excused:** Sen. Dan Harrington (D)

**Members Absent:** None.

**Staff Present:** Lee Heiman, Legislative Branch  
Shirley Herrin, Committee Secretary

**Video-taped Committee:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. A video-taped recording of the meeting is available from the Montana Historical Society.

**Committee Business Summary:**

Hearing & Date Posted: SB 471, 3/13/2003; SB 472, 3/13/03  
Executive Action: SB 407, SB 469  
SB 467 - Indefinitely Postponed

**HEARING ON SB 471**

**Opening Statement by Sponsor:**

8:05       **SEN. KEITH BALES, SD 1, Otter** " Tax on coal for  
transmission and distribution system development".

**Proponents' Testimony:**

8:15       **SEN. FRED THOMAS, SD 31, Stevensville.**

**Opponents' Testimony:**

8:19       Verner Bertelsen, Montanan's for the Coal Trust  
8:21       Don Judge, Teamsters Local 190 and MT Progressive Labor  
            Caucus  
8:27       Patrick Judge, MT Environmental Protection Center  
8:29       Matt Leow, MT Public Interest Research Group

**Informational Witnesses:**

8:30       John Tubbs, Dept of Natural Resources & Conservation  
            **EXHIBIT (tas56a01)**  
8:35       Dave Simpson, Westmoreland Coal Company  
            **EXHIBIT (tas56a02)**  
8:39       Jim Mocker, MT Coal Council  
8:41       Russ Katherman, Dept of Administration

**Questions from Committee Members and Responses:**

8:42       Begin  
9:34       Ended  
52 min     Time elapsed.

**Closing by Sponsor:**

9:34       **SEN. BALES** closed on SB 471.

**CHAIRMAN DEPRATU** called for a brief recess.

**HEARING ON SB 472**

**Opening Statement by Sponsor:**

9:44       **SEN. FRED THOMAS, SD 31, Stevensville** "Reduce rate of  
severance tax on coal".

**Proponents' Testimony:**

9:56       **SEN. KEITH BALES, SD 1, Otter.**

**Opponents' Tstimony:**

9:57       Verner Bertelsen, Montanan's for the Coal Trust  
10:00      Don Judge, Teamsters Local # 190 and MT Progressive  
            Labor Caucus

10:07 Matt Leow, MT Public Interest Research Group  
 10:09 Patrick Judge, MT Environmental Information Center  
 10:13 Daniel Watson, Rosebud County Commissioner

**Informational Witnesses:**

10:16 John Tubbs, Dept of Natural Resources & Conservation  
**EXHIBIT(tas56a03)**  
 10:23 Sarah Carlson, Executive Director, Montana Association  
 of Conservation Districts **EXHIBIT(tas56a04)**  
 10:24 Dave Simpson, Westmoreland Coal Company  
**EXHIBIT(tas56a05)**

**Questions from Committee Members and Responses:**

10:26 Begin  
 10:41 Ended  
 15 min Time elapsed

**Closing by Sponsor:**

10:41 **SEN. THOMAS** closed on SB 472.

**CHAIRMAN DEPRATU** appointed **SEN. BILL GLASER, SEN. JOHN BOHLINGER** and **SEN. DAN HARRINGTON** to serve on a sub-committee on SB 471 and SB 472.

**CHAIRMAN DEPRATU** appointed **SEN. BOB STORY, SEN. JERRY BLACK** and **SEN. KEN TOOLE** to serve on a sub-committee on SB 378 and SB 465.

**EXECUTIVE ACTION ON SB 407**

10:46 **Motion:** **SEN. TAYLOR** moved that SB 407 DO PASS. He handed out **EXHIBIT(tas56a06)** and **EXHIBIT(tas56a07)**.  
**Motion:** **SEN. TAYLOR** moved that SB 407 BE AMENDED, SB040701.agp **EXHIBIT(tas56a08)**.

**Discussion:**

10:50 Begin  
 10:56 Ended  
 6 min Time elapsed.

10:56 **Vote:** Motion on the amendment carried 10-1 with **ELLIOTT** voting no. **BOHLINGER, HARRINGTON AND MCNUTT** voting aye by proxy.

10:58 **SEN. TAYLOR** moved amendment SB 040702.alh **EXHIBIT(tas56a09)** **Vote:** Motion on the amendment carried 10-1 with **ELLIOTT** voting no. **BOHLINGER, HARRINGTON AND MCNUTT** voting aye by proxy.

11:00        **SEN. TAYLOR moved amendment SB 040703.alh**  
**EXHIBIT (tas56a10)**

**Discussion:**

11:00        Begin  
 11:05        Lee Heiman addressed the amendments.  
 11:06        Judy Paynter, Dept of Revenue, reviewed the amendments.  
 11:10        Ended  
 10 min      Time elapsed.

11:11        **Vote:    Motion on the amendment carried 11-0 with**  
**BOHLINGER, HARRINGTON AND MCNUTT voting aye by proxy.**

11:11        **Motion:   SEN. TAYLOR moved that SB 407 DO PASS AS**  
**AMENDED.**

**Discussion:**

11:12        Begin  
 11:18        Terry Johnson, Legislative Fiscal Division, answered  
               questions from the committee.  
 11:37        Ended.  
 26 min      Time elapsed.

11:38        **Motion/Vote:   SEN. TAYLOR moved that SB 407 DO PASS AS**  
**AMENDED. Motion carried 7-4 with ELLINGSON, ELLIOTT and**  
**TOOLE voting no.   HARRINGTON voted no by proxy and**  
**MCNUTT voted aye by proxy.**

**EXECUTIVE ACTION ON SB 469**

11:40        **Motion:   SEN. ELLIOTT moved that SB 469 DO PASS. He**  
**moved a conceptual amendment.**

**Discussion:**

11:41        Begin  
 11:48        **SEN. GLASER proposed a substitute amendment.   SEN.**  
**ELLIOTT withdrew his motion.   SEN. GLASER moved his**  
**conceptual amendment.   The motion carried Unanimously**  
**with HARRINGTON and MCNUTT voting by proxy.   SEN.**  
**ELLIOTT moved a conceptual amendment on page 1, line 28**  
**to strike 5%.   The motion carried Unanimously with**  
**HARRINGTON and MCNUTT voting by proxy.   SEN. ELLIOTT**  
**then moved another conceptual amendment on page 1, line**  
**28 to insert "If the appeal may continue but a tax or**  
**fee etc. etc.".   Lee Heiman prepared the amendment**  
**SB046903.alh   EXHIBIT (tas56a11)**

**Discussion:**

- 11:50 **SEN. STORY** questioned **SEN. ELLIOTT** regarding the amendment.
- 11:51 **Vote:** Motion on the amendment carried 10-1 with **STORY** voting no and **HARRINGTON** and **MCNUTT** voting by proxy.
- 11:52 **SEN. ELLIOTT** moved a conceptual amendment to insert on Page 3, line 30, NEW **Section 2** and NEW **Section 3**. **Vote:** Motion on the amendment carried unanimously with **HARRINGTON** and **MCNUTT** voting by proxy. The amendment is included in SB046903.alh (See EXHIBIT 11.)
- 11:53 **Motion/Vote:** **SEN. ELLIOTT** moved that SB 469 DO PASS AS AMENDED. Motion carried unanimously with **HARRINGTON** and **MCNUTT** voting by proxy.

**EXECUTIVE ACTION ON SB 467**

- 11:53 **Motion:** **SEN. ELLIOTT** moved that SB 467 DO PASS. He explained the bill. **SEN. ELLIOTT** moved amendment SB046703.alh **EXHIBIT**(tas56a12). **Vote:** The motion carried unanimously with **HARRINGTON** AND **MCNUTT** voting by proxy.
- 11:57 **Motion/Vote:** **SEN. ELLINGSON** moved that SB 467 BE AMENDED SB046701.alh **EXHIBIT**(tas56a13). Motion carried unanimously with **HARRINGTON** and **MCNUTT** voting by proxy.
- 11:58 **Motion:** **SEN. ELLIOTT** moved that SB 467 DO PASS AS AMENDED. A brief discussion was held.
- 12:00 **Motion/Vote:** **SEN. TAYLOR** moved that SB 467 BE INDEFINITELY POSTPONED. Motion carried 7-4 with **ELLINGSON**, **ELLIOTT**, **HARRINGTON**, and **TOOLE** voting no.

**ADJOURNMENT**

Adjournment: 12:10 A.M.

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SEN. BOB DEPRATU, Chairman

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SHIRLEY HERRIN, Secretary

BD/SH

**EXHIBIT (tas56aad)**